

MEETING:	EMPLOYMENT PANEL
MEETING DATE:	3 JUNE 2014
TITLE OF REPORT:	STATUTORY OFFICERS
REPORT BY:	CHIEF EXECUTIVE

Classification

Open

Key Decision

This is not an executive decision.

Wards Affected

County-wide

Purpose

To:

- agree continuation of current interim arrangements in respect of the Chief Financial Officer post, giving the organisation stability in a period of significant change and financial risk; and
- agree continuation of current interim arrangements in respect of the Director of Adults Well-Being, for the same reasons as above; and
- confirm the revised grading and job title of the current Solicitor to the Council to reflect changes in role and responsibilities.

Recommendations

THAT:

- a) the current arrangements set out in the report for the post Chief Financial Officer (Section 151 Officer) be extended until 30 September 2015;**
- b) the current arrangements set out in the report for the post of Director of Adults Well-Being, (DASS) be extended until 30th September 2015;**
- c) the post of Solicitor to the Council be renamed Assistant Director, Governance; and**
- d) the post of Assistant Director, Governance receive a salary at spot grade £90,000 (being grouped for job evaluation purposes with the post of Chief Financial Officer) effective from 1 April 2014.**

Alternative Options

- 1 To commence recruitment for a permanent Chief Financial Officer. This option is not recommended given the immediate and medium term change activity planned in this service area.
- 2 To commence recruitment for a permanent Director of Adults Well-Being. As with 1 above, this option is not recommended given the level of change activity in which the directorate is engaged, and importance of continuity in management control.
- 3 Separate out the lead roles for legal, HR and Monitoring Officer. This option is not recommended as the three roles are closely aligned; achieving more clarity and efficiency at the top of the organisation while a commensurate salary would both retain and recruit in the future, high calibre individuals.

Reasons for Recommendations

- 4 To ensure continuing effective leadership of a large proportion of the council's key services undergoing significant change. In 12 -15 months' time it is expected that the authority will be on firmer foundations and many of the changes on which we are currently embarked – including our work with strategic partners – are planned to have been delivered. This is likely to clarify the roles in future, and also ensure that the posts are attractive – with greater stability – to high calibre external candidates whilst giving time and opportunity to develop potential internal candidates.

Key Considerations

- 5 Following the departure of the then Chief Officer Finance and Commercial Services, the Employment Panel agreed on 11th September 2013 to appoint Peter Robinson, an experienced Chief Financial Officer, at a large unitary council to lead a potentially difficult and challenging budget process. The council had overspent in its previous financial year and was forecasting a £4.5m overspend in 2013/14 and its external auditor, Grant Thornton had rated the authority as red in respect of its level of reserves in its financial resilience report, the only one it had done so for in the region.
- 6 Under the guidance of the interim Chief Financial Officer, the authority has agreed a three year financial plan which will deliver significant savings and replenish its reserves. It has also spent within its budget for 2013/14; a significant turnaround.
- 7 The interim Chief Financial Officer has also led on negotiations with Defra in securing agreement for the Waste PFI contract with Worcestershire, re-structured the finance team and re-procured the internal audit contract, with a view to improving quality of service and making significant savings in these areas. He has very recently taken on responsibility for ICT strategy and the management and client role for the ICT element of the contract with Hoople following deletion of the post of Assistant Director Organisational Development.
- 8 The statutory role of Section 151 Officer must be performed by a council officer. The non-statutory role, in effect the change and improvement work can be performed through a consultancy contract.
- 9 In this situation the CIPFA Guidance contemplates a scenario where the statutory role can be completed via a contract of employment for 0.2 fte with any additional work bought in. The council purchased the equivalent of 0.8 fte via NEPRO.

- 10 Under Part 3 of the council's Constitution, the 'Duty to designate officers as the Monitoring Officer and the Section 151 Officer is reserved to Full Council'. Under the council's Employment Rules (para 4.9.3.7) appointment of a Statutory Chief Officer is to be made by the Employment Panel, which also approves the Terms and Conditions of Employment.
- 11 The interim arrangements are due to end on 30 June 2014 and to provide the opportunity to embed the improvements in finance, and determine and implement actions to improve the ICT service it is proposed to extend the current arrangements until 30 September 2015.
- 12 Following re-structuring of the authority's services by the incoming new Chief Executive in July 2013, and the establishment of the Adults Well-Being Directorate, Helen Coombes was appointed in an interim capacity into the role of Director, with the understanding that she would hold this post until mid-2014. In order to ensure management continuity in the major changes that are taking place within this directorate and leadership in a key role within the senior team leading changes to the system of health and social care across the county, it is proposed to extend the current arrangements until 30th September 2015.
- 13 This avoids the risk of attempting to recruit to these critical roles from a relatively small national pool of experienced CFOs and DASS's who have led extensive change. It is entirely possible that permanent recruitments would prove unsuccessful, resulting not only in the wasted cost of recruitment, but in the need to recruit once again to an interim position with the expectation that such an appointment would be at the level of the current incumbent. The authority has significant experience in appointments to previous, less demanding senior roles, which have been short-lived, or unsuccessful in recruitment.
- 14 The Solicitor to Council has, over the past six months taken on a range of additional responsibilities including management of electoral services, registration services, governance services, equalities, information governance, complaints, land charges, and very recently HR and organisation development management and client role for the HR element of the contract with Hoople following deletion of the post of Assistant Director Organisational Development. The post has also been designated as statutory Monitoring Officer. The re-grading recognises these additional responsibilities, placing the role, for job evaluation purposes, in a grouping with the post of Chief Financial Officer.

Community Impact

- 15 Working with the council's Management Board, these roles ensure that the council's directorates and services are effectively supported to meet the challenges imposed by financial reductions which, without change, would be more likely to result in less effective service delivery in future.

Equality and Human Rights

- 16 The recommendations in this report and recruitment and selection process take full account of this legislation.

Financial Implications

- 17 There are additional costs associated with continuing with the current arrangements

for the Chief Financial Officer, approximately £30k, £15k in both 14/15 and 15/16 including ongoing payments to the managed service provider, although a significant discount has been agreed for these and for the four day per week consultancy element of the contract with NEPRO who provide Peter Robinson. The additional cost can be managed from additional savings achieved in the 2014/15 budget. Permanent recruitment costs set-aside of £25k will not be incurred in 2014/15.

- 18 The costs of continuing the current arrangements for the Director of Adults Well-Being are within the approved budget of a permanent Director post.
- 19 The additional cost associated with the re-grading of the Assistant Director, Governance including on-costs is £13k pa, these costs will be met from savings from deletion of the post of Head of Governance.

Legal Implications

- 20 Section 151 of the Local Government Act 1972 requires all local authorities to 'make arrangements for the proper administration of their financial affairs' and to 'secure that one of their officers has responsibility for the administration of those affairs.'
- 21 Under Part 3 of the council's Constitution, the 'Duty to designate officers as the Monitoring Officer and the Section 151 Officer is reserved to Full Council'. Under the council's Employment Rules (para 4.9.3.7) appointment of a Statutory Chief Officer is to be made by the Employment Panel, which also approves the Terms and Conditions of Employment. Council has designated the Chief Financial Officer as s151 officer and the Solicitor to the Council as Monitoring Officer. A change in post title does not require a re-designation by Council.

Risk Management

- 22 The risks of an adverse impact on the pace of improvement arising from a change in post holder at this time are mitigated by the recommended approach.
- 23 Grouping of posts within an agreed job evaluation structure mitigates any risk of equal pay claims.
- 24 The individuals concerned with the 3 posts have been approached, are fully in agreement with the proposals contained in this report, and are committed to being part of the authority's continuity of management and leadership.

Consultees

- 25 The views of the council's external auditors were sought before introducing the current interim arrangements and the proposals were supported.

Appendices

None

Background Papers

- None identified.